

Virginia Commonwealth University
School of Medicine
CLINICAL FACULTY SALARY PLAN
(Effective July 1, 1998) Revised February 2002

BACKGROUND.

The Virginia Commonwealth University Board of Visitors approved a new faculty salary and incentive structure for all full-time faculty performing clinical functions in the School of Medicine in January 1998. The salary and incentive plan was effective on July 1, 1998 and applies to approximately 460 faculty in the clinical departments or about 62 percent of the total full-time faculty in the School of Medicine. The salary and incentive plan features a fixed and variable base salary with incentives for faculty to receive additional salary payments for outstanding performance.

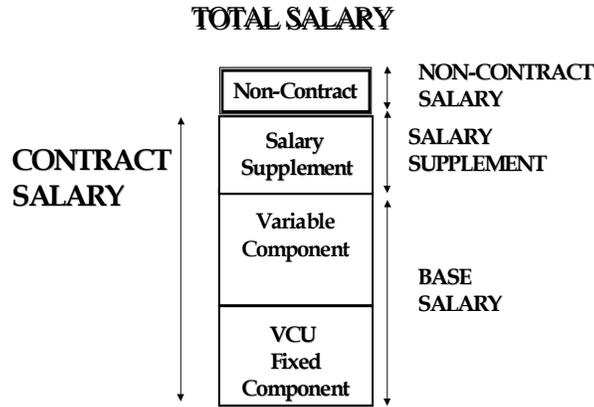
Based on four years of experience under the salary and incentive plan, the plan now requires refinements and modifications. Significant changes have occurred since the plan's inception including the creation of the VCU Health System (7/1/2000) and the implementation of the School's Mission-Based Management initiative. In addition, cost-cutting and increased competition in the health care environment have resulted in reduced reimbursement for patient care. The revised salary plan for clinical faculty is described below.

CLINICAL FACULTY SALARY PLAN

The revised Faculty Salary Plan will apply to all full-time faculty assigned to the *M.D. Clinical Salary Group* and the *Non-M.D. Clinical Salary Group*. The new salary and incentive plan applies to approximately 460 faculty in the clinical departments or about 62 percent of the total full-time faculty in the School of Medicine. The plan will apply to all salary paid to faculty through VCU, MCV Physicians and the McGuire Veterans Affairs Medical Center (VAMC). The plan will not apply to faculty who are assigned to the *Teaching/Research Salary Group* in the basic science departments and in the clinical departments.

A. FACULTY SALARY COMPONENTS

This policy applies to the process for determining the **Annual Total Salary** for clinical faculty. The **Annual Total Salary** is comprised of the **Annual Base Salary**, an optional **Salary Supplement** and the optional **Non-Contract Salary** components. The **Annual Base Salary** is defined as the combination of the *VCU Fixed Base Salary Component* and the *Variable Salary Component*. The **Annual Contract Salary** is defined as the **Annual Base Salary** and the optional **Salary Supplement**. The **Annual Contract Salary** for faculty assigned to the *M.D. Clinical Salary Group* and the *Non-M.D. Clinical Salary Group* is approved prior to the start of each fiscal year, and is in effect from July 1 through June 30, unless otherwise stipulated in the annual contract letter. The **Non-Contract Salary** is comprised of 1) *Incentive Pay* 2) *Extra Duty/On-Call Pay* and 3) *Other (e.g., consulting income, etc.)*. The actual amount of **Non-Contract Salary** is not known until the end of the fiscal year.



School of Medicine
Virginia Commonwealth University

1. ANNUAL BASE SALARY

The **Annual Base Salary** is defined as the combination of the *VCU Fixed Base Component* and the *Variable Component*.

- a) *VCU Fixed Base Component* is determined by the University by rank and assigned salary group. The VCU Fixed Base Component is the **minimum** salary level to be a full-time faculty employee of Virginia Commonwealth University. The VCU Fixed Base Component must be paid through VCU accounts. Changes to the VCU Fixed Base Component for a faculty member may occur based on rank and/or salary group changes. The VCU Fixed Base Component must be stated in the annual contract letter to faculty.

The salary amounts shown on the table below represent the *VCU Fixed Base Component* for full-time faculty in the School of Medicine. The fixed base component of salary for an individual faculty member is based on assigned salary group and academic rank. Full-time faculty who were employed on November 30, 1994, may have a VCU Fixed Base Component that exceeds the fixed base salaries shown on the salary table. The VCU Fixed Base Component for clinical department faculty members who were employed on November 30, 1994, will be based on assigned step on the School of Medicine salary scales in effect on November 30, 1994. Faculty members will retain the VCU Fixed Base Component as long as they are employed, without interruption, as full-time faculty members in the School of Medicine.

******* SALARY GROUPS *******

RANK	M.D. CLINICAL	NON-M.D. CLINICAL
Professor – Department Chair	\$98,700	\$70,000
Professor – Division Head	\$58,200	\$46,000
Professor	\$50,700	\$40,000
Associate Professor/Division Head	\$50,700	\$37,900
Associate Professor	\$44,000	\$32,900
Assistant Professor/Division Head	\$41,600	\$30,000
Assistant Professor	\$36,500	\$27,600
Instructor	\$30,500	\$25,000
Lecturer	N/A	\$24,000
Research Assistant/Associate	\$20,000	\$20,000

- b) *Variable Salary Component*. The Variable Component of base salary may vary by faculty

member each year based on the prior year's performance, the financial condition of the department, and other criteria including, but not limited to, salary benchmarks, market conditions and salary equity. The Variable Component may be zero for some faculty and may be paid through any combination of VCU, MCV Physicians (MCVP), the McGuire Veterans Affairs Medical Center (VAMC) salary sources.

2. **Salary Supplement** (*optional*). This salary component is not part of the Annual Base Salary and may be awarded based on defined additional duties and responsibilities (e.g., administrative duties). Some examples of those faculty members who would receive supplemental pay include department chairs, division chairs, program directors, medical directors, and vice chairs. The amount of the Salary Supplement is stated separately within the salary structure and in the annual contract letter. The Salary Supplement may be paid through VCU, MCVP or any combination of both. Faculty are eligible to receive a Salary Supplement only so long as they perform the duties and responsibilities associated with the supplement.

3. ANNUAL CONTRACT SALARY

The **Annual Contract Salary** is defined as the **Annual Base Salary** and the optional **Salary Supplement**. The **Annual Contract Salary** for faculty assigned to the **M.D. Clinical Salary Group** and the **Non-M.D. Clinical Salary Group** is approved prior to the start of each fiscal year, and is in effect from July 1 through June 30, unless otherwise stipulated in the annual contract letter.

4. **NON- CONTRACT SALARY** (*optional*). Non-Contract Salary payment types are described below.
 - a) **Incentive payments** recognize performance that exceeds base salary expectations. Incentive pay is based upon the availability of funds and can be multi-level in structure, recognizing the performance of an individual and the department. Incentive payments are not required or guaranteed. Incentive payments are intended to recognize clearly stated and documented superior performance by faculty and/or groups of faculty that enhance the overall financial position of the department through academic or clinical activities. In exceptional circumstances, incentive payments may be made to specific individuals even if the department has an operating deficit. Departments are encouraged to have an incentive pool although there is no minimum incentive pool requirement (percentage or dollars). Departments must have a written incentive plan that is financially driven in order to make incentive payments to faculty. Incentive payments are not intended for extra duty or on-call duty. Incentive payments paid through MCVP can be made no more frequently than once per quarter and must be approved by the Dean, School of Medicine, prior to payment. Incentive payments paid through the University require VCU Board of Visitors approval (typically in November) and can only be paid once each year (typically in December). Incentive pay is considered part of the Total Annual Salary.
 - b) **Extra-Duty/On-Call Pay**. Extra-Duty/On-Call payments may be approved for non-required clinical activity, based on the actual amount of time and effort involved. Extra-Duty/On-Call payments may be paid on a monthly basis and require approval by the Dean prior to payment. Extra Duty/On-Call pay is considered part of the Total Annual Salary. All extra duty/on-call payments must be paid through MCVP.
 - c) **Other Pay**. Other Pay includes payments for non-required non-clinical activity such as expert testimony, outside consulting, etc. Payments can be made on a quarterly basis. All

payments must be approved by the Dean prior to payment and paid through MCVP. Other pay is considered part of the Total Annual Salary.

5. TOTAL ANNUAL SALARY

The Total Annual Salary is defined as the sum of the Annual Contract Salary and the Non-Contract Salary.

B. ANNUAL BASE SALARY DETERMINATION

The Annual Base Salary for individual full-time clinical faculty will be determined based on various factors including, but not limited to, the Annual Performance Evaluation, the approved salary benchmark, salary equity, market conditions and the financial condition of the department.

1. Performance

a) ***Faculty Performance Plan.*** An annual written ***Faculty Performance Plan*** is required for each faculty member. The ***Faculty Performance Plan*** must identify the faculty member's expected workload and performance expectations by mission: Education, Research & Scholarship, Clinical Practice, Cross-Mission Administration, and Internal/External Service.

- Each faculty member must have a written Performance Plan. This is a prospective document that is the basis for the next annual Performance Evaluation.
- The Performance Plan will be for the next performance review cycle (typically a one-year period).
- The Performance Plan must be prepared by the department chair or division head. Plans prepared by the division heads must also be reviewed by the department chair.
- The Performance Plan must identify clearly for each faculty member the expected workload by mission as defined in the Mission-Based Management Faculty Activity Survey (i.e., Education, Research & Scholarship, Clinical Practice, Cross-Mission Administration, and Internal/External Service) expressed in percentage terms.
- The Performance Plan must identify expected levels of effort and outcomes/productivity for each faculty member including quantitative and qualitative measures.
- The Performance Plan must be reviewed with the faculty member.
- The Performance Plan must be approved by the department chair.

b) ***Faculty Performance Evaluation.*** An annual written ***Faculty Performance Evaluation*** is required for each faculty member. The ***Faculty Performance Evaluation*** must identify the extent to which the faculty member achieved or exceeded the prior year's ***Faculty Performance Plan***.

- The Performance Evaluation must reference the Performance Plan agreed to for the period being evaluated (prior 12-month period).
- The Performance Evaluation must be prepared by the department chair or division head. Evaluations prepared by the division heads must be reviewed by the department chair.
- The Performance Evaluation must include specific qualitative and quantitative measures of performance against the expectations set forth in the Performance Plan.
- The Performance Evaluation must be linked to the salary determination process.
- The Performance Evaluation must be reviewed with the faculty member.
- The Performance Evaluation must be approved by the department chair.

2. **Salary Equity and Benchmarking.** Individual faculty salaries must be determined, in part, by applying the results of the *Performance Evaluation* to an established, nationally recognized salary benchmark.

Salary Benchmark Selection: The salary benchmark selected for use in a department must be approved by the Dean, School of Medicine and updated annually. At a minimum, the salary benchmark will be applied to individual faculty according to faculty rank, degree, and medical specialty or subspecialty.

Base Salary Floor: No faculty member shall receive an **Annual Base Salary** less than the *VCU Fixed Base Component* based on rank and assigned Salary Group.

3. **Department Financial Position Adjustment.** Clinical departments are expected to be fiscally responsible and to achieve targeted operating margins. Considering the fact that faculty salary expenses constitute 50 – 60 percent of each department's total expenditures, faculty Annual Base Salaries may need to be reduced proportionally across-the-board in order for a department to achieve its prescribed budget. Across-the-board budget adjustments, if necessary, must be made following the determination of the each faculty member's *Annual Base Salary* described in sections 1. and 2. above. These reductions may be completely or partially restored by the department at the end of the fiscal year through Non-Contract Salary payments. Salary restoration will depend on the overall financial performance of the department including meeting operating budget targets.

EFFECTIVE DATE.

The School of Medicine Faculty Revised Salary Plan will be effective July 1, 2002. Faculty salaries will be determined on a fiscal year basis (July 1 through June 30) each year.